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2009 Jul 29 09:29 AM

Fee: \$ 36.00

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6 Pages

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Producers 88-1 (R)  
Texas Paid-Up (255)

## OIL, GAS AND MINERAL LEASE (PAID-UP LEASE)

THIS AGREEMENT made this 28<sup>th</sup> day of May, 20 09, between Dick Stebbins aka Paul R. Stebbins, Kent Stebbins, Scott Stebbins, and Brad Stebbins, Individually and as Successors to Stebbins Five Company, a dissolved general partnership

Longview, Texas 75601

, Lessor (whether one or more) whose address is 600 E. Whaley Street

P.O. Box 450, Decatur, Texas 76234

and Devon Energy Production Company, L.P.

, Lessee; whose address is

; WITNESSETH:

1. Lessor in consideration of Ten or more Dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas (including all gases, liquid hydrocarbons and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees and building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in

Tarrant

County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof for the description of lands in Tarrant County, Texas and for additional terms and conditions which are a part of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said Land and such amendment shall include words of present lease and grant. For the

purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 57.488 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said Land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any or the following: preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges; (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casinghead gas or other gaseous substance, produced from said Land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said Land, whether or not owned by Lessor and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and/or gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event,

Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the At Lessor's address listed above Bank at

(which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments

hereunder regardless of changes in ownership of said land or shut-in royalty payments) a sum determined by multiplying one dollar (\$1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (\$1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payments shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive oil production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any

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(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises which remains in force and on which Lessee continues to conduct operations.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby, nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder; but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.


12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Dick Stebbins  
Dick Stebbins aka Paul R. Stebbins, Individually and as Successor to  
Stebbins Five Company, a dissolved general partnership

LESSOR

  
Kent Stebbins, Individually and as Successor to Stebbins Fire Company, a  
dissolved general partnership

LESSOR

**LESSOR**

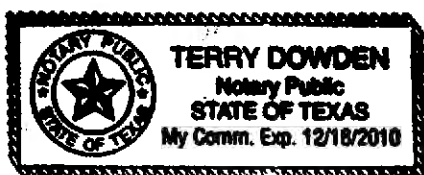
LESSOR

STATE OF **Texas**

COUNTY OF GREGG

This instrument was acknowledged before me on 5<sup>th</sup> day of June, 2009 by Dick Stebbins aka Paul R. Stebbins.

Individually and as Successor to Stebbins Five Company, a dissolved general partnership



Notary Signature: Terry Bowden

Printed Name: TERRY DOWDEN

Notary Public, State of Texas

My Commission Expires: 12/18/2010

OIL, GAS AND MINERAL LEASE  
ACKNOWLEDGEMENTS



Scott Stebbins, Individually and as LESSOR  
Successor to Stebbins Five Company,  
a dissolved general partnership

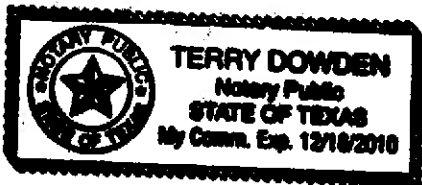


Brad Stebbins, Individually and as LESSOR  
Successor to Stebbins Five Company,  
a dissolved general partnership

STATE OF TEXAS §

COUNTY OF GREGG §

This instrument was acknowledged before me on this 5<sup>th</sup> day of June, 2009, by Kent Stebbins, Individually and as Successor to Stebbins Five Company, a dissolved general partnership.



  
Notary Signature

TERRY DOWDEN  
Printed Name

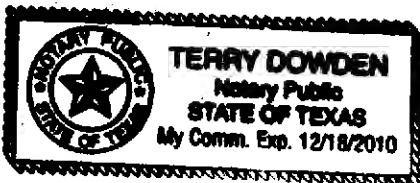
Notary Public, State of TEXAS


My Commission Expires: 12/18/2010

STATE OF TEXAS §

COUNTY OF GREGG §

This instrument was acknowledged before me on this 5<sup>th</sup> day of June, 2009, by Scott Stebbins, Individually and as Successor to Stebbins Five Company, a dissolved general partnership.



  
Notary Signature

TERRY DOWDEN  
Printed Name

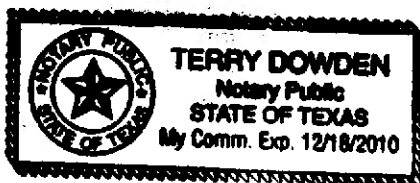
Notary Public, State of TEXAS

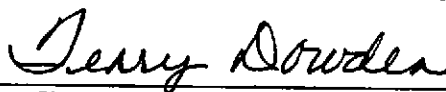
My Commission Expires: 12/18/2010

STATE OF TEXAS §

COUNTY OF GREGG §

This instrument was acknowledged before me on this 5<sup>th</sup> day of June, 2009, by Brad Stebbins, Individually and as Successor to Stebbins Five Company, a dissolved general partnership.



  
Notary Signature

TERRY DOWDEN  
Printed Name

Notary Public, State of TEXAS

My Commission Expires: 12/18/2010

## **EXHIBIT "A"**

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED MAY 28<sup>th</sup>, 2009, BY AND BETWEEN DICK STEBBINS AKA PAUL R. STEBBINS, KENT STEBBINS, SCOTT STEBBINS, AND BRAD STEBBINS, INDIVIDUALLY AND AS SUCCESSORS TO STEBBINS FIVE COMPANY, A DISSOLVED GENERAL PARTNERSHIP, AS LESSOR AND DEVON ENERGY PRODUCTION COMPANY, L.P., AS LESSEE.

### **LEGAL DESCRIPTION OF PROPERTY:**

All of Lessor's undivided mineral interest in the following described land within a tract of land containing 72.312 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated July 5, 1978, by and between Quality Care, INC., as Grantor and The Benbrook Venture, as Grantee, recorded in Volume 6581, at Page 01, of the Deed Records of Tarrant County, Texas.

### **SAVE AND EXCEPT:**

A tract of land containing 2.00 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated March 17, 1981, by and between The Benbrook Venture, as Grantor and Royce D. Westfall and wife, Diane Westfall as Grantee, recorded in Volume 7097, at Page 871, of the Deed Records of Tarrant County, Texas.

A tract of land containing 4.00 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated January 9, 1984, by and between The Benbrook Venture, as Grantor and Frank G. Marquez and wife, Inez M Marquez as Grantee, recorded in Volume 7718, at Page 173, of the Deed Records of Tarrant County, Texas.

A tract of land containing 1.218 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated January 12, 1984, by and between The Benbrook Venture, as Grantor and John Hollingsworth and wife, Sophia Hollingsworth as Grantee, recorded in Volume 7718, at Page 177, of the Deed Records of Tarrant County, Texas.

A tract of land containing 2.79 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated January 24, 1984, by and between The Benbrook Venture, as Grantor and Carl C. Reiter and wife, Mary Lee Reiter as Grantee, recorded in Volume 7729, at Page 2268, of the Deed Records of Tarrant County, Texas.

A tract of land containing 2.758 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated April 2, 1984, by and between The Benbrook Venture, as Grantor and Frank G. Marquez and wife, Inez M Marquez as Grantee, recorded in Volume 7799, at Page 1619, of the Deed Records of Tarrant County, Texas.

A tract of land containing 1.90 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated September 29, 1986, by and between The Benbrook Venture, as Grantor and Jerry W. Baird and wife, Bettye L. Baird as Grantee, recorded in Volume 8700, at Page 1981, of the Deed Records of Tarrant County, Texas.

A tract of land containing 0.158 acres, more or less, in the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, and being the same land described in that certain Warranty Deed dated September 2, 1986, by and between The Benbrook Venture, as Grantor and Andra Danise Pickens as Grantee, recorded in Volume 8680, at Page 1916, of the Deed Records of Tarrant County, Texas.

**Being a total of 57.488 acres, more or less.**

**ADDITIONAL PROVISIONS:**

1. Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth (1/8th)" appears in the printed portion of this lease the same is hereby amended to read "Twenty-Two Percent (22%)".
2. Notwithstanding anything to the contrary contained in the printed form to which this Exhibit is attached, it is understood and agreed between Lessor and Lessee, that there will be no operations for oil or gas development and/or production upon the surface of the above described land without the express written consent of Lessor; provided, only that Lessee shall have the right to drill under, or through, produce from and inject substances into the subsurface of the lands covered by this Lease, from wells which are located on lands pooled therewith, or which are located on other lands.
3. Lessee, its successors and assigns, agree to indemnify and hold harmless and defend Lessor, its successors and assigns, agents and employees from and against all suits, claims, demands and causes of action including attorney fees and court costs that may be at any time brought or made by any person, corporation or other entity including, but not limited to, employees of Lessee, arising out of or in any way connected with Lessee's activities and operations conducted pursuant to the terms of this lease. It is further agreed that if any suit, claim, demand or cause of action is brought or arises which is or might be covered by this indemnification provision, the party hereto who first receives notice thereof will immediately notify the other party hereto. It is understood, however, that this provision will not apply if the action is caused in whole or part by Lessor's negligence or Lessor's contributory negligence.
4. Lessee covenants and agrees that it will not undertake any action or practice in the conduct of its operations pursuant to this lease that will cause, or fail to take any action that will prevent, pollution to the leased premises or adjacent land, underground aquifer, free-flowing streams, run off areas, and/or lakes. Lessee indemnifies and holds harmless Lessor from any action, claim, penalty, and fine imposed as a result of the actions of Lessee in its operations pursuant to this lease, and agrees to defend Lessor for any such claims. Lessee further covenants and agrees that it will remove all hazardous materials and fluids, and remediate the surface of the land as required by any and all directives of the Environment Protection Agency, state regulatory agencies, underground water district, lake authority and/or county regulations. Further, Lessee agrees that it will remain liable for, and defend Lessor against any and all claims for "clean-up" around and site by any governmental agency, regulatory body, or party should the same be imposed as a result of the action of Lessee pursuant to this lease, whether such claim is made during the term of this lease or after the lease terminates. It is understood, however, that this provision shall not apply if any such pollution is caused in whole or part by Lessor's negligence or Lessor's contributory negligence.
5. Notwithstanding the use of the words "mineral," "minerals," or "other minerals" in this lease covers and includes only oil, gas, casinghead gas, condensate, and other constituent substances that may be produced through the wellbore. This lease shall not cover coal and lignite, sand, gravel, clay, iron ore, uranium or any other fissionable material.
6. This Lease is subject to Restrictions filed by Benbrook Venture recorded in Volume 6580, Page 996, Deed Records of Tarrant County, Texas, covering 72.312 acres of land out of the James O. Quinn Survey, Abstract No. 1257, Tarrant County, Texas, referenced to which is hereby made for all purposes.
7. Notwithstanding anything herein contained in the printed portion of this lease to the contrary, in the event Lessee, his heirs or assigns, exercises his right to pool or unitize this lease and the land covered hereby for gas with other lands and/or leases as provided in Paragraph 5 contained in the printed form, all and not part of this lease shall be unitized in any gas unit so formed.

8. This disclaimer of warranty shall supersede and take place of the warranty of title given in paragraph 11 contained in the oil, gas and mineral lease. It is expressly agreed between the parties hereto that no warranty or covenant of title (express or implied) to the land covered hereby or to the oil and gas therein or produced therefrom is made by Lessor and that no warranty, covenant or guarantee of title shall be created by or arises from this lease, except that in the event Lessor, through proper title examination, is proved to own less than entire mineral estate, then and in that event proportionate reduction of the lease-bonus consideration and/or royalty paid for this lease shall be applied, and Lessor shall repay Lessee for any overpayment. Lessor agrees that Lessee, at its option, may pay off or discharge any taxes, mortgages, or other liens existing, levied or assessed against the leased premises; and if such an option is exercised, Lessee shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien any royalty, shut-in royalty, or rental accruing hereunder.

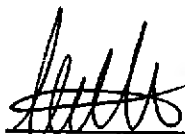
**SIGNED FOR IDENTIFICATION:**



Dick Stebbins aka Paul R. Stebbins,  
Individually and as Successor to Stebbins  
Five Company, a dissolved general  
partnership



Kent Stebbins, Individually and as Successor  
to Stebbins Five Company, a dissolved  
general partnership



Scott Stebbins, Individually and as Successor  
to Stebbins Five Company, a dissolved  
general partnership



Brad Stebbins, Individually and as Successor  
to Stebbins Five Company, a dissolved  
general partnership